

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re Lexington Precision Corporation and Lexington Rubber Group, Inc  
Debtor

Case No. 08-11153 & 08-11156

Reporting Period: January 2010

Federal Tax I.D. # 22-1830121 & 13-3525759

**PRELIMINARY CORPORATE MONTHLY OPERATING REPORT – January 2010**

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

| REQUIRED DOCUMENTS   | Form No.      | Document Attached | Explanation Attached                            |
|--|---------------|-------------------|---|
| Schedule of Cash Receipts and Disbursements                      | MOR-1         | Yes               | Waived**  |
| Bank Reconciliation (or copies of debtor's bank reconciliations) | MOR-1 (CON'T) | No                | Waived**  |
| Copies of bank statements  |               | No                | Waived**  |
| Cash disbursements journals                                      |               | No                | Waived**  |
| Statement of Operations  | MOR 2         | Yes               | Consolidated Statement of Operations            |
| Reorganization items paid  | MOR-2 (Cont.) | Yes               | No explanation necessary.                       |
| Balance Sheet  | MOR-3         | Yes               | Consolidated Statement of Operations            |
| Status of Post-petition Taxes                                    | MOR-4         | Yes               | No explanation necessary.                       |
| Copies of IRS Form 6123 or payment receipt                       |               | No                | Waived**  |
| Copies of tax returns filed during reporting period              |               | No                | Waived**  |
| Summary of Unpaid Post-petition Debts                            | MOR-4         | Yes               | No explanation necessary.                       |
| Listing of Aged Accounts Payable                                 |               | No                | All post-petition accounts payable are current. |
| Accounts Receivable Reconciliation and Aging                     | MOR-5         | Yes               | No explanation necessary.                       |
| Taxes Reconciliation and Aging                                   | MOR-5         | Yes               | No explanation necessary.                       |
| Payments to Insiders and Professional                            | MOR-6         | Yes               | No explanation necessary.                       |
| Post Petition Status of Secured Notes                            | MOR-6         | Yes               | No explanation necessary.                       |
| Debtor Questionnaire   | MOR-7         | Yes               | No explanation necessary.                       |

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Authorized Individual\*

Date

March 9, 2010

Printed Name of Authorized Individual Dennis J. Welhouse

Date

March 9, 2010

Senior vice President and CFO

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

\*\* Inclusion of this and certain other information has been waived per discussions with Official Creditors' Committee and the Office of the United States Trustee.

In re Lexington Precision Corporation  
DebtorCase No. 08-11153  
Reporting Period: January 2010**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

|  | BANK ACCOUNTS |         |     |       |  |
|--|---------------|---------|-----|-------|--|
|  | OPER          | PAYROLL | TAX | OTHER | CURRENT MONTH<br>ACTUAL (TOTAL OF<br>ALL ACCOUNTS) |
| ACCOUNT NUMBER (LAST 4)                                |               |         |     |       |  |
| <b>CASH BEGINNING OF MONTH</b>                         |               |         |     |       |  |
| <b>RECEIPTS</b>  |               |         |     |       |  |
| ACCOUNTS RECEIVABLE                                    |               |         |     |       | 841,725.66   |
| DIP LOANS  |               |         |     |       | -  |
| OTHER: Premier Tool and Die                            |               |         |     |       | 13,295.00  |
| OTHER: Miscellaneous Receipts                          |               |         |     |       | 17,443.26  |
| <b>TOTAL RECEIPTS</b>                                  |               |         |     |       | 872,463.92   |
| <b>DISBURSEMENTS</b>                                   |               |         |     |       |  |
| NET PAYROLL  |               |         |     |       |  |
| PAYROLL TAXES  |               |         |     |       |  |
| SALES, USE, & OTHER TAXES                              |               |         |     |       |  |
| INVENTORY PURCHASES                                    |               |         |     |       |  |
| SECURED/ RENTAL/ LEASES                                |               |         |     |       |  |
| INSURANCE  |               |         |     |       |  |
| ADMINISTRATIVE   |               |         |     |       |  |
| SELLING  |               |         |     |       |  |
| OTHER (ATTACH LIST)                                    |               |         |     |       |  |
| OWNER DRAW *   |               |         |     |       |  |
| TRANSFERS (TO DIP ACCTS)                               |               |         |     |       |  |
| PROFESSIONAL FEES                                      |               |         |     |       |  |
| U.S. TRUSTEE QUARTERLY FEES                            |               |         |     |       |  |
| COURT COSTS  |               |         |     |       |  |
| <b>TOTAL DISBURSEMENTS</b>                             |               |         |     |       | 2,482,971.91                                       |
| <b>NET CASH FLOW<br/>(RECEIPTS LESS DISBURSEMENTS)</b> |               |         |     |       |  |
| <b>CASH - END OF MONTH</b>                             |               |         |     |       |  |

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

**THE FOLLOWING SECTION MUST BE COMPLETED**

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

|   |                |
|---|----------------|
| <b>TOTAL DISBURSEMENTS</b>  | \$2,482,971.91 |
| LESS: TRANSFERS TO OTHER DEBTOR IN<br>POSSESSION ACCOUNTS                         | \$0.00         |
| PLUS: ESTATE DISBURSEMENTS MADE BY<br>OUTSIDE SOURCES (i.e. from escrow accounts) | \$0.00         |
| <b>TOTAL DISBURSEMENTS FOR CALCULATING U.S.<br/>TRUSTEE QUARTERLY FEES</b>        | \$2,482,971.91 |

In re Lexington Rubber Group, Inc.  
Debtor

Case No. 08-11156  
Reporting Period: January 2010

### SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

|  | BANK ACCOUNTS |         |     |       |  |
|--|---------------|---------|-----|-------|--|
|  | OPER          | PAYROLL | TAX | OTHER | CURRENT MONTH<br>ACTUAL (TOTAL OF<br>ALL ACCOUNTS) |
| ACCOUNT NUMBER (LAST 4)                                |               |         |     |       |  |
| <b>CASH BEGINNING OF MONTH</b>                         |               |         |     |       |  |
| <b>RECEIPTS</b>  |               |         |     |       |  |
| ACCOUNTS RECEIVABLE                                    |               |         |     |       | 3,752,981.74                                       |
| DIP LOANS  |               |         |     |       | -  |
| OTHER: Cobra   |               |         |     |       | -  |
| OTHER: Miscellaneous Receipts                          |               |         |     |       | 14,083.92  |
| <b>TOTAL RECEIPTS</b>                                  |               |         |     |       | 3,767,065.66                                       |
| <b>DISBURSEMENTS</b>                                   |               |         |     |       |  |
| NET PAYROLL  |               |         |     |       |  |
| PAYROLL TAXES  |               |         |     |       |  |
| SALES, USE, & OTHER TAXES                              |               |         |     |       |  |
| INVENTORY PURCHASES                                    |               |         |     |       |  |
| SECURED/ RENTAL/ LEASES                                |               |         |     |       |  |
| INSURANCE  |               |         |     |       |  |
| ADMINISTRATIVE   |               |         |     |       |  |
| SELLING  |               |         |     |       |  |
| OTHER (ATTACH LIST)                                    |               |         |     |       |  |
| OWNER DRAW *   |               |         |     |       |  |
| TRANSFERS (TO DIP ACCTS)                               |               |         |     |       |  |
| PROFESSIONAL FEES                                      |               |         |     |       |  |
| U.S. TRUSTEE QUARTERLY FEES                            |               |         |     |       |  |
| COURT COSTS  |               |         |     |       |  |
| <b>TOTAL DISBURSEMENTS</b>                             |               |         |     |       | 3,911,434.18                                       |
| <b>NET CASH FLOW<br/>(RECEIPTS LESS DISBURSEMENTS)</b> |               |         |     |       |  |
| <b>CASH – END OF MONTH</b>                             |               |         |     |       |  |

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

### THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

|   |                |
|---|----------------|
| <b>TOTAL DISBURSEMENTS</b>  | \$3,911,434.18 |
| LESS: TRANSFERS TO OTHER DEBTOR IN<br>POSSESSION ACCOUNTS                         | \$0.00         |
| PLUS: ESTATE DISBURSEMENTS MADE BY<br>OUTSIDE SOURCES (i.e. from escrow accounts) | \$0.00         |
| <b>TOTAL DISBURSEMENTS FOR CALCULATING U.S.<br/>TRUSTEE QUARTERLY FEES</b>        | \$3,911,434.18 |

**PRELIMINARY**

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

January 2010

**CONSOLIDATED STATEMENTS OF EARNINGS**

**MONTH**

**in thousands of dollars**

Case no's 08-11153 & 08-11156

|  | <b>MONTH</b>  |          |
|--|---------------|----------|
|  | <b>Actual</b> |          |
| Gross sales                                | 5,536         | 100.7 %  |
| Returns                                    | 30            | 0.5      |
| Discounts & allowances                     | 8             | 0.1      |
| Net sales                                  | 5,498         | 100.0    |
| Cost of sales:                             |               |          |
| Material cost                              | 1,745         | 31.7     |
| Direct labor                               | 639           | 11.6     |
| Factory overhead (1)                       | 2,442         | 44.4     |
| Total                                      | 4,826         | 87.8     |
| Gross profit                               | 672           | 12.2     |
| Selling, general & admin. expense:         |               |          |
| Marketing & sales                          | 73            | 1.3      |
| General & administrative (2)               | 678           | 12.3     |
| Total                                      | 751           | 13.7     |
| Operating profit                           | (79)          | (1.4)    |
| Nonoperating expense (income):             |               |          |
| Interest expense (3) (4)                   | 643           | 11.7     |
| Interest (income)                          | (4)           | (0.1)    |
| Total                                      | 639           | 11.6     |
| Earnings (loss) before taxes               | (718)         | (13.1)   |
| Income taxes                               | 2             | 0.0      |
| Earnings (loss) from continuing operations | (720)         | (13.1)   |
| Income (loss) from discontinued operations | (9)           | (0.2)    |
| Net income (loss)                          | (729)         | (13.3) % |
| <b>EBITDA:</b>                             |               |          |
| Operating Profit                           | (79)          | (1.4) %  |
| Depreciation                               | 310           | 5.6      |
| Amortization (operating only)              | 17            | 0.3      |
| EBITDA                                     | 248           | 4.5 %    |

**Other Data & Statistics:**

|                                 |     |    |
|---------------------------------|-----|----|
| Average number of employees (#) | 500 | NA |
| Sales per employee (\$)         | 132 | NA |

- (1) Factory overhead includes \$40,000 of expenses incurred in connection with the Company's plan to close its facility in Vienna, Ohio, and move the production to its other rubber molding facilities.  
(2) Includes \$350,000 of expenses incurred in connection with the company's efforts to refinance and or restructure the Company during January 2010.  
(3) Excludes interest expense of \$14,000 allocated to discontinued operations for the month of January 2010.  
(4) Includes \$148,000 of interest on missed interest payments for the holders of the Company's unsecured debt and \$34,000 of interest for the holders of the Company's DIP loan during January 2010.

In re Lexington Precision Corporation - Consolidated  
Debtor

Case No. 08-11153 & 08-11156  
Reporting Period: January 2010

| REORGANIZATION ITEMS   |            |  |
|--|------------|--|
| Professional Fees  |            |  |
| Stout Risius Ross, Inc.  | 43,178.41  |  |
| Andrews Kurth  |            |  |
| Weil, Gotshal & Manges LLP   |            |  |
| W.Y. Campbell & Company  |            |  |
| Nixon Peabody  |            |  |
| Goldin Associates  |            |  |
| U. S. Trustee Quarterly Fees - LRG   | 13,000.00  |  |
| U. S. Trustee Quarterly Fees - LPC   | 13,000.00  |  |
| Interest Paid to Lexington on Accumulated Cash from Chapter 11 - DIP Cash( <i>see continuation sheet</i> )       | 5,046.06   |  |
| Interest Paid to Lexington on Accumulated Cash from Chapter 11 - Operating Cash( <i>see continuation sheet</i> ) | 227.13     |  |
| Gain (Loss) from Sale of Equipment   |            |  |
| Other Reorganization Expenses ( <i>attach schedule</i> )   |            |  |
| DIP Interest   | 34,444.45  |  |
| CapitalSource Reimbursement  | 172,642.47 |  |
| Epiq Bankruptcy Solutions, LLC   | 4,337.02   |  |
| O'Melveny & Myers LLP - Attorney for DIP Lenders   | 48,684.31  |  |
| Intralinks, Inc.   | 4,040.63   |  |
| AccuVal Associates, Inc.   |            |  |
| Total Reorganization Expenses  |            |  |
| Income Taxes   |            |  |
| Net Profit (Loss)  |            |  |

\*\*"Insider" is defined in 11 U.S.C. Section 101(31).

#### BREAKDOWN OF "OTHER" CATEGORY

##### OTHER COSTS

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##### OTHER OPERATIONAL EXPENSES

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##### OTHER INCOME

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##### OTHER EXPENSES

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##### OTHER REORGANIZATION EXPENSES

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#### Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

**PRELIMINARY**

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

January 2010

**CONSOLIDATED BALANCE SHEETS**

in thousands of dollars

Case no's 08-11153 & 08-11156

**ASSETS**

|   | <u>Actual</u>  |
|---|----------------|
| Current assets:                                   |                |
| Cash  | 2,872          |
| Marketable securities                             | 155            |
| Accounts receivable                               | 8,025          |
| Inventories                                       | 7,968          |
| Prepaid expenses and other current assets         | 2,375          |
| Deferred income taxes                             | –              |
| Current assets of discontinued operations         | 34             |
| Total current assets                              | <u>21,429</u>  |
| Plant & equipment                                 |                |
| Land  | 2,168          |
| Buildings   | 11,130         |
| Machinery & equipment                             | <u>103,562</u> |
|   | 116,860        |
| Accumulated depreciation                          | <u>102,880</u> |
| Plant & equipment, net                            | <u>13,980</u>  |
| Plant & equipment of discontinued operations, net | 1,134          |
| Goodwill  | 7,623          |
| Deferred financing expenses                       | –              |
| Other assets                                      | <u>1,420</u>   |
|   | <u>45,586</u>  |

**LIABILITIES & SHAREHOLDERS' DEFICIT**

|   |                 |
|---|-----------------|
| Current liabilities:                            |                 |
| Accounts payable                                | 9,867 (1)       |
| Accrued income taxes                            | 6               |
| Accrued interest expense                        | 19,602          |
| Accrued operating expenses                      | 3,299 (2)       |
| Short-term debt                                 | 18,360 (3)      |
| Current portion of LTD                          | 51,652          |
| Current portion of discontinued operations      | 275 (1)         |
| Total current liabilities                       | <u>103,061</u>  |
| Long-term debt, net of current portion          | –               |
| Long-term portion of post-retirement obligation | 216             |
| Other long term liabilities                     | 77              |
| Deferred income taxes                           | –               |
| Shareholders' deficit:                          |                 |
| Common stock                                    | 1,247           |
| Add'l paid-in-capital                           | 13,207          |
| Accumulated deficit                             | (72,163)        |
| Accumulated other comprehensive loss            | (59)            |
| Total shareholders' deficit                     | <u>(57,768)</u> |
|   | <u>45,586</u>   |

(1) As of January 31, 2010, accounts payable includes prepetition accounts payable in the amount of \$5,432,000 and \$1,563,000 of billings from attorneys, investment advisors and other fees and expenses incurred in connection with the Company's filing under chapter 11 of the Bankruptcy Code. At January 31, 2010, current liabilities of discontinued operations included prepetition accounts payable in the amount of \$174,000.

(2) As of January 31, 2010, accrued expenses includes \$364,000 of fees and expenses accrued in connection with the Company's filing under chapter 11.

(3) Includes revolving line of credit in the amount of \$14,219,000, the DIP loan in the amount of \$4,000,000, and insurance premium financing in the amount of \$141,000.

Lexington Precision Corporation - Consolidated  
Case No. 08-11153 & 08-11156

Status of Post-Petition Taxes  
January 2010

|  | 1/6               | 1/7              | 1/13            | 1/14              | 1/20            | 1/21             | 1/27              | 1/28             |          |          | Totals            |
|--|-------------------|------------------|-----------------|-------------------|-----------------|------------------|-------------------|------------------|----------|----------|-------------------|
| <b>Federal</b>                                     |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| FICA - Employee                                    | 242.48            | 14,283.71        | 430.89          | 35,947.46         | 331.19          | 20,199.67        | 20,179.85         | 20,470.54        | -        | -        | 112,085.79        |
| FICA - Employer                                    | 242.48            | 14,283.62        | 430.90          | 35,947.53         | 331.17          | 20,199.70        | 20,179.87         | 20,470.57        | -        | -        | 112,085.84        |
| Unemployment                                       | 25.36             | 1,493.48         | 45.06           | 3,754.94          | 34.63           | 2,112.16         | 1,706.50          | 2,140.49         | -        | -        | 11,312.62         |
| Income   | 211.72            | 10,631.27        | 564.90          | 42,414.67         | 378.23          | 19,490.94        | 31,307.12         | 18,444.31        | -        | -        | 123,443.16        |
| Other: Cobra credit                                | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>Total Federal Taxes</b>                         | <b>722.04</b>     | <b>40,692.08</b> | <b>1,471.75</b> | <b>118,064.60</b> | <b>1,075.22</b> | <b>62,002.47</b> | <b>73,373.34</b>  | <b>61,525.91</b> | <b>-</b> | <b>-</b> | <b>358,927.41</b> |
| <b>State and Local</b>                             |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| <b>GA - Georgia</b>                                |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | -                 | 2,814.80         | -               | 6,744.12          | -               | 4,575.41         | 3,393.46          | 4,576.33         | -        | -        | 22,104.12         |
| Unemployment                                       | -                 | 4,552.83         | -               | 9,550.69          | -               | 6,384.10         | 4,111.39          | 6,579.48         | -        | -        | 31,178.49         |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Other:   | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>NY - New York</b>                               |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | -                 | 1,429.62         | -               | 4,552.01          | -               | 2,643.75         | 1,733.00          | 2,605.12         | -        | -        | 12,963.50         |
| Unemployment                                       | -                 | 4,485.37         | -               | 10,233.63         | -               | 6,484.77         | 3,385.51          | 6,380.33         | -        | -        | 30,969.61         |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Other: DI  | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>OH - Ohio</b>                                   |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | 79.37             | 290.74           | 183.29          | 2,734.91          | 125.97          | 376.79           | 2,577.38          | 354.58           | -        | -        | 6,723.03          |
| Unemployment                                       | 272.59            | 987.32           | 554.83          | 6,267.34          | 406.93          | 1,295.44         | 4,970.75          | 1,245.21         | -        | -        | 16,000.41         |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Other:   | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>PA - Pennsylvania</b>                           |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Unemployment                                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Other:   | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>SC - South Carolina</b>                         |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | -                 | 2,225.88         | -               | 6,109.57          | -               | 3,530.50         | 4,434.34          | 3,539.23         | -        | -        | 19,839.52         |
| Unemployment                                       | -                 | 2,028.25         | -               | 4,524.73          | -               | 2,877.42         | 1,933.09          | 2,941.25         | -        | -        | 14,304.74         |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Other:   | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>MA - Massachusetts</b>                          |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Unemployment                                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Other:   | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>TN - Tennessee</b>                              |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Unemployment                                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>SC - South Carolina</b>                         |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| Withholding  | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Unemployment                                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| Real Property                                      | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>AK - Akron City, OH</b>                         | -                 | 16.17            | -               | 16.17             | -               | 16.17            | -                 | 16.17            | -        | -        | 64.68             |
| <b>BR - Brewster VLG, OH</b>                       | -                 | 11.23            | -               | 11.69             | -               | 15.47            | -                 | 13.29            | -        | -        | 51.68             |
| <b>CA - Canton City, OH</b>                        | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>CO - Columbiana, OH</b>                         | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>CS - Col SD, OH</b>                             | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>GI - Girard City, OH</b>                        | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>GR - Green City, OH</b>                         | -                 | -                | -               | 31.30             | -               | -                | 44.25             | -                | -        | -        | 75.55             |
| <b>HU - Hubbard City, OH</b>                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>MD - McDonald VII, OH</b>                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>NC - No Canton CI, OH</b>                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>NF - New Franklin, OH</b>                       | -                 | 7.26             | -               | 7.26              | -               | 8.90             | -                 | 7.33             | -        | -        | 30.75             |
| <b>NI - Niles City, OH</b>                         | 10.19             | -                | 21.53           | -                 | 12.68           | -                | 20.91             | -                | -        | -        | 65.31             |
| <b>NP - New Philadel, OH</b>                       | -                 | -                | -               | 22.23             | -               | -                | 22.23             | -                | -        | -        | 44.46             |
| <b>PP - Pepper Pike</b>                            | -                 | -                | -               | 86.36             | -               | -                | 86.36             | -                | -        | -        | 172.72            |
| <b>PY - Pymatuning T, PA</b>                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>SH - Sharon City, PA</b>                        | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>SL - Springfield LS, OH</b>                     | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>SP - Sharpsville, PA</b>                        | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>ST - Struthers CI, OH</b>                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>SW - Stow City, OH</b>                          | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>WA - Warren City, OH</b>                        | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>YT - Youngstown C, OH</b>                       | -                 | -                | -               | -                 | -               | -                | -                 | -                | -        | -        | -                 |
| <b>Total State and Local</b>                       | <b>362.15</b>     | <b>18,849.47</b> | <b>759.65</b>   | <b>50,892.01</b>  | <b>545.58</b>   | <b>28,208.72</b> | <b>26,712.67</b>  | <b>28,258.32</b> | <b>-</b> | <b>-</b> | <b>154,588.57</b> |
| <b>Total Payroll Taxes</b>                         | <b>1,084.19</b>   | <b>59,541.55</b> | <b>2,231.40</b> | <b>168,956.61</b> | <b>1,620.80</b> | <b>90,211.19</b> | <b>100,086.01</b> | <b>89,784.23</b> | <b>-</b> | <b>-</b> | <b>513,515.98</b> |
| <b>Non-Payroll Taxes</b>                           |                   |                  |                 |                   |                 |                  |                   |                  |          |          |                   |
| GA Dept. of Revenue - Sales and Use Tax - Nov. '09 |                   |                  |                 | 1,671.65          |                 |                  |                   |                  |          |          | 1,671.65          |
| Pickens County GA - Property Tax                   | 115,129.05        |                  |                 |                   |                 |                  |                   |                  |          |          | 115,129.05        |
| Gilmer County GA - Property Tax                    |                   |                  |                 |                   |                 |                  | 10,704.42         |                  |          |          | 10,704.42         |
| New York State Sales and Use Tax                   |                   |                  |                 |                   |                 |                  | 1,353.53          |                  |          |          | 1,353.53          |
| 2010 Ohio Estimated Corporation Franchise Tax      |                   |                  |                 |                   |                 |                  | 3,000.00          |                  |          |          | 3,000.00          |
| York County SC - Property tax                      |                   |                  |                 | 126,315.52        |                 |                  |                   |                  |          |          | 126,315.52        |
| South Carolina Sales and Use tax                   |                   |                  |                 | 4,205.10          |                 |                  |                   |                  |          |          | 4,205.10          |
| Ohio Dept. of Taxation - Sales and Use tax         |                   |                  |                 |                   |                 | 661.22           |                   |                  |          |          | 661.22            |
| <b>Total Non Payroll Taxes</b>                     | <b>115,129.05</b> | <b>-</b>         | <b>-</b>        | <b>132,192.27</b> | <b>-</b>        | <b>661.22</b>    | <b>15,057.95</b>  | <b>-</b>         | <b>-</b> | <b>-</b> | <b>263,040.49</b> |
| <b>Total Taxes</b>                                 | <b>116,213.24</b> | <b>59,541.55</b> | <b>2,231.40</b> | <b>301,148.88</b> | <b>1,620.80</b> | <b>90,872.41</b> | <b>115,143.96</b> | <b>89,784.23</b> | <b>-</b> | <b>-</b> | <b>776,556.47</b> |

MOR - 4 (1)

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

|                                  | Current | 0-30 | 31-60 | 61-90 | Over 91 | Total |
|----------------------------------|---------|------|-------|-------|---------|-------|
| Accounts Payable                 |         |      |       |       |         |       |
| Wages Payable                    |         |      |       |       |         |       |
| Taxes Payable                    |         |      |       |       |         |       |
| Rent/Leases-Building             |         |      |       |       |         |       |
| Rent/Leases-Equipment            |         |      |       |       |         |       |
| Secured Debt/Adequate            |         |      |       |       |         |       |
| Professional Fees                |         |      |       |       |         |       |
| Amounts Due to Insiders          |         |      |       |       |         |       |
| Other:                           |         |      |       |       |         |       |
| Other:                           |         |      |       |       |         |       |
| <b>Total Post-petition Debts</b> |         |      |       |       |         |       |

MOR - 4 (2)

In re Lexington Precision Corporation - Consolidated  
Debtor

Case No. 08-11153 & 08-11156  
Reporting Period: January 2010

**PRELIMINARY**

**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

| Accounts Receivable Reconciliation                                 | Amount       |
|--|--------------|
| Total Accounts Receivable at the beginning of the reporting period | 7,201,508.89 |
| Plus: Amounts billed during the period                             | 5,602,544.56 |
| Less: Amounts collected during the period                          | 4,594,707.40 |
| Less: Miscellaneous adjustments                                    | 6,567.57     |
| Total Accounts Receivable at the end of the reporting period       | 8,202,778.48 |

| Accounts Receivable Aging                         | 0-30 Days    | 31-60 Days   | 61-90 Days | 91+ Days   | Total        |
|---|--------------|--------------|------------|------------|--------------|
| 0 - 30 days old                                   | 5,303,596.71 | -            | -          | -          | 5,303,596.71 |
| 31 - 60 days old                                  | -            | 1,901,888.61 | -          | -          | 1,901,888.61 |
| 61 - 90 days old                                  | -            | -            | 683,949.61 | -          | 683,949.61   |
| 91+ days old                                      | -            | -            | -          | 313,343.55 | 313,343.55   |
| Total Accounts Receivable                         | 5,303,596.71 | 1,901,888.61 | 683,949.61 | 313,343.55 | 8,202,778.48 |
| Less: Bad Debts (Amount considered uncollectible) | -            | -            | -          | -          | 220,000.00   |
| Plus: Accrual adjustment                          | -            | -            | -          | -          | 42,000.00    |
| Net Accounts Receivable                           | -            | -            | -          | -          | 8,024,778.48 |

**TAXES RECONCILIATION AND AGING**

| Taxes Payable          | 0-30 Days | 31-60 Days | 61-90 Days | 91+ Days | Total |
|------------------------|-----------|------------|------------|----------|-------|
| 0 - 30 days old        |           |            |            |          |       |
| 31 - 60 days old       |           |            |            |          |       |
| 61 - 90 days old       |           |            |            |          |       |
| 91+ days old           |           |            |            |          |       |
| Total Taxes Payable    |           |            |            |          |       |
| Total Accounts Payable |           |            |            |          |       |



Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

| PROFESSIONALS                           |   |                 |              |                    |                       |  |
|---|---|-----------------|--------------|--------------------|-----------------------|--|
| NAME                                    | DATE OF COURT ORDER AUTHORIZING PAYMENT | AMOUNT APPROVED | AMOUNT PAID  | TOTAL PAID TO DATE | TOTAL INCURRED UNPAID |  |
| Andrews Kurth LLP                       |   | 0.00            | 1,326,389.42 |                    | 560,767.00            |  |
| Thompson Hine LLP (1)                   |   | 4,465.50        | 120,299.69   |                    |                       |  |
| Malin, Bergquist & Company, LLP         |   | 15,570.35       | 400,064.94   |                    |                       |  |
| Stout Risius Ross, Inc.                 |   | 43,179.41       | 816,044.81   |                    | 239,045.00            |  |
| Weil, Gotshal & Manges LLP              |   | 0.00            | 1,902,478.58 |                    | 290,415.19            |  |
| W.Y. Campbell & Company                 |   | 0.00            | 832,213.45   |                    | 294,479.72            |  |
| Snell & Wilmer (2)                      |   | 6,813.34        | 25,661.35    |                    |                       |  |
| Nixon Peabody LLP                       |   | 0.00            | 225,916.39   |                    |                       |  |
| Goldin Associates                       |   | 0.00            | 65,025.24    |                    |                       |  |
| Fisher & Phillips LLP, Attorneys at Law |   | 1,877.42        | 1,971.92     |                    |                       |  |
| O'Melveny & Myers LLP (3)               |   | 48,684.31       | 120,299.61   |                    | 11,183.60             |  |
| Buck Consultants                        |   | 0.00            | 13,234.00    |                    |                       |  |
| Bureau Veritas                          |   | 0.00            | 7,950.83     |                    |                       |  |
| TOTAL PAYMENTS TO PROFESSIONALS         |   |                 | 120,589.33   |                    |                       |  |

- (1) Total paid to date includes \$3,669.25 paid from retainer.
- (2) Total paid to date includes \$1,212.00 paid from retainer.
- (3) Total paid to date includes \$50,000.00 paid from retainer.

| NAME OF CREDITOR  | SCHEDULED MONTHLY PAYMENT DUE | AMOUNT PAID DURING MONTH | TOTAL UNPAID POST PETITION |
|---|-------------------------------|--------------------------|----------------------------|
| CapitalSource finance LLC (as agent)<br>4445 Willard Avenue 12th Floor<br>Chevy Chase, MD 20815<br>and<br>Webster Business Credit Corporation<br>3600 Lexington Avenue, 5th Floor<br>New York, NY 10017 | 208,333.33                    | 208,333.33               | 3,958,333.47               |
| CSE Mortgage LLC and DMD Special Situations units of<br>CapitalSource finance LLC (as agent)<br>4445 Willard Avenue 12th Floor<br>Chevy Chase, MD 20815   | 61,111.11                     | 61,111.11                | 12,494,444.49              |
| Commercial Alloys<br>1831 Highland Road<br>Twinsburg, OH 44087  | 0.00                          | 0.00                     | 0.00                       |
| Great American Leasing Corporation<br>PO Box 609<br>Cedar Rapids, Iowa 52406-0609   | 1,161.21                      | 0.00                     | 15,883.58                  |
|   | TOTAL PAYMENTS                | 269,444.44               | 16,468,661.54              |

In re Lexington Precision Corporation - Consolidated  
Debtor

Case No. 08-11153 & 08-11156  
Reporting Period: January 2010

### DEBTOR QUESTIONNAIRE

| Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary. |  | Yes | No               |
|---|--|-----|------------------|
| 1   | Have any assets been sold or transferred outside the normal course of business this reporting period?  |     | X                |
| 2   | Have any funds been disbursed from any account other than a debtor in possession account this reporting period?  |     | X                |
| 3   | Is the Debtor delinquent in the timely filing of any post-petition tax returns?  |     | X                |
| 4   | Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies? |     | X                |
| 5   | Is the Debtor delinquent in paying any insurance premium payment?  |     | X                |
| 6   | Have any payments been made on pre-petition liabilities this reporting period?   |     | X                |
| 7   | Are any post petition receivables (accounts, notes or loans) due from related parties?   |     | X                |
| 8   | Are any post petition payroll taxes past due?  |     | X                |
| 9   | Are any post petition State or Federal income taxes past due?  |     | X                |
| 10  | Are any post petition real estate taxes past due?  |     | X                |
| 11  | Are any other post petition taxes past due?  |     | X                |
| 12  | Have any pre-petition taxes been paid during this reporting period?  |     | X                |
| 13  | Are any amounts owed to post petition creditors delinquent?  |     | X                |
| 14  | Are any wage payments past due?  |     | X                |
| 15  | Have any post petition loans been received by the Debtor from any party?   |     | X                |
| 16  | Is the Debtor delinquent in paying any U.S. Trustee fees?  |     | X                |
| 17  | Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?  |     | X                |
| 18  | Have the owners or shareholders received any compensation outside of the normal course of business?  | Yes | See footnote (1) |

- (1) Michael A. Lubin, Chairman of the Board, and William B. Conner, a Director of the Company, received DIP interest during January 2010 in the amounts of \$17,222.22 and \$12,916.67, respectively.